

JOE DONNELLY
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Congress of the United States
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January 27, 2010

The Honorable Nancy Pelosi
Speaker
U. S. House of Representatives
H-232 U.S. Capitol
Washington, D.C. 20515

The Honorable Nydia Velazquez
Chairwoman, House Small Business Committee
U.S. House of Representatives
2361 Rayburn House Office Building
Washington, DC 20515

Dear Speaker Pelosi and Chairwoman Velazquez:

As the House and Senate continue to debate ways to improve access to capital for small businesses, I am writing in support of increasing the loan limits for the Small Business Administration's (SBA) 7(a) loan guarantee program from \$2 million to \$5 million.

The economic downturn has made things more difficult for small businesses in my district. Credit markets tightened, making it extremely hard for small businesses to secure credit. Small businesses rely on credit to meet their day-to-day needs, purchase inventory, invest in infrastructure and hire workers. As you know, a lack of credit threatens business' ability to remain viable. I believe that the SBA's loan guaranty program has played a critical role in helping to sustain businesses that are so vital to our communities; however, I believe more must be done to ensure that business owners can access the capital they need to start, continue or expand operations and also create jobs.

On October 21, 2009, President Obama called for legislation that would increase the loan limit to \$5 million and the Senate is now considering S. 2869, *The Small Business Job Creation and Access to Capital Act of 2009*, which includes language similar to the administration's proposal. On October 29, 2009, the House passed H.R. 3854, *The Small Business Financing and Investment Act of 2009*, which would increase the loan limit to \$3 million. I am pleased that the House has already acted to increase loan limits.

Our economic future depends on the ability of small businesses to thrive and create good-paying jobs. Because of the strong desire of small businesses to reinvest in their businesses and plan for the future, I believe a greater expansion of 7(a) guarantees is prudent and necessary. I respectfully urge you to support efforts to increase SBA's loan limits to \$5 million.

I appreciate your careful consideration of this request and thank you for your continued support of efforts to restore economic vitality and job creation.

Sincerely,


Joe Donnelly
Member of Congress